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12-29-1981

# State-Operated Lottery

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Office of the Secretary of State  
March Fong Eu

1230 J Street  
Sacramento, California 95814

Elections Division  
(916) 445-0820

May 28, 1982

TO: ALL REGISTRARS OF VOTERS/COUNTY CLERKS/PROPONENT(S)

FROM: Deborah Seiler  
DEBORAH SEILER, ASSISTANT CHIEF OF ELECTIONS

Pursuant to Elections Code 3520(b) you are hereby notified that the total number of signatures to the hereinafter named proposed INITIATIVE STATUTES AND CONSTITUTIONAL AMENDMENT filed with all county clerks is less than 100 percent of the number of qualified voters required to find the petition sufficient; therefore, the petition has failed.

TITLE: STATE-OPERATED LOTTERY. INITIATIVE STATUTES  
AND CONSTITUTIONAL AMENDMENT

SUMMARY DATE: December 29, 1981

PROPONENT: Peggy E. Hoskins

DS/dw



Office of the Secretary of State  
March Fong Eu

1230 J Street  
Sacramento, California 95814

Elections Division  
(916) 445-0820

December 29, 1981

TO ALL REGISTRARS OF VOTERS/COUNTY CLERKS/PROPONENT(S)

Pursuant to Section 3513 of the Elections Code, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

STATE-OPERATED LOTTERY  
INITIATIVE STATUTES AND CONSTITUTIONAL AMENDMENT

Circulating and Filing Schedule

1. Minimum number of signatures required..... 553,790  
Cal. Const., art. II, sec. 8 (b).
2. Official Summary Date..... Tuesday, 12/29/81  
Elec. C., sec. 3513.
3. Petition Sections:
  - a. First day Proponent(s) can circulate  
Sections for signatures..... Tuesday, 12/29/81  
Elec. C., sec. 3513.
  - b. Last day Proponent(s) can circulate and file  
with the county. All Sections are to be filed  
at the same time within each county..... Friday, 5/28/82+  
Elec. C., secs. 3513, 3520 (a).
  - c. Last day for county to determine total number  
of signatures affixed to petition and to  
transmit total to the Secretary of State..... Monday, 6/07/82

(If the Proponent(s) files the petition with the county on a date prior to 5/28/82, the county has five working days from the filing of the petition to determine the total number of signatures affixed to the petition and to transmit the total to the Secretary of State.)  
Elec. C., sec. 3520 (b).

+ PLEASE NOTE: To the Proponent(s) who may wish to qualify for the 1982 General Election. The law allows up to 56 days to county election officials for checking and reporting petition signatures. The law also requires that this process be completed 131 days before the election in which the people will vote on the initiative. It is possible that the county may not need the whole 56 days. But if you want to be sure that this initiative qualifies for the 1982 General Election, you should file this petition with the county by April 29, 1982.

STATE-OPERATED LOTTERY

December 29, 1981

Page 2

- d. Last day for county to determine total number of qualified electors who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State..... Tuesday, 6/22/82

(If the Secretary of State notifies the counties to determine the number of qualified electors who signed the petition on a date prior to 6/07/82, the last day is not later than the ~~five~~teenth day after the notification.) Elec. C., sec. 3520(d), (e).

- e. If the signature count is between 498,411 and 609,169 then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures.

Last day for county to determine actual number of all qualified electors who signed the petition and to transmit certificate with a blank copy of the petition to the Secretary of State..... Thursday, 7/22/82

(If the Secretary of State notifies the counties to determine the number of qualified electors who have signed the petition on a date prior to 6/22/82, the last day is not later than the thirtieth day after the notification.) Elec. C., sec. 3521 (b), (c).

4. Campaign Statements:

Last day for the Proponent(s) to file a Campaign Statement of Receipts and Expenditures for period ending 6/25/82..... Friday, 7/02/82

(If the Secretary of State finds that the measure has either qualified or failed to qualify on a date earlier than 5/28/82, the last date to file is the 35th calendar day after the deadline for filing petitions or the date of notification by the Secretary of State that the measure has either qualified or failed to qualify, whichever is earlier. The closing date for the campaign statement is seven days prior to the filing deadline.) Gov. C., secs 84200 (d), 84202 (j).

STATE-OPERATED LOTTERY

December 29, 1981

Page 3

5. The Proponent(s) of the above named measure is/are:

Ms. Peggy E. Hoskins  
2101 Byron Road  
Sacramento, California 95825

Sincerely,

WILLIAM N. DURLEY  
Assistant to the Secretary of State  
Elections and Political Reform

*Edward Arnold Jr.*

EDWARD ARNOLD JR.  
Elections Assistant

WND/EA/rb

NOTE TO PROPONENT(S): Your attention is directed to Elections Code sections 41, 44, 3501, 3507, 3508, 3516, 3517, and 3519 for appropriate format and type considerations in printing, typing, and otherwise preparing your initiative petition for circulation and signatures. Your attention is further directed to the campaign disclosure requirements of the Political Reform Act of 1974 (as amended), Government Code section 81000 et seq.



State of California  
Department of Justice  
**George Deukmejian**  
(PRONOUNCED DUKE-MAY-GIN)

Attorney General

December 29, 1981

555 CAPITOL MALL, SUITE 350  
SACRAMENTO 95814  
(916) 445-9555

**FILED**  
In the office of the Secretary of State  
of the State of California

DEC 29 1981

MARCH FONG EU, Secretary of State

By Edward Arnold  
Deputy

Honorable March Fong Eu  
Secretary of State  
1230 J Street  
Sacramento, California 95814

RE: Initiative Proposing Amendment to: Statutes & Constitution  
Subject: State-operated lottery  
Our File No.: SA81RF0032

Dear Mrs. Eu:

Pursuant to the provisions of section 3503 and 3513 of the Elections Code, you are hereby notified that on this day we mailed to the proponent(s) of the above identified proposed initiative our title and summary by sending a true copy of this letter.

Enclosed is a copy of our transmittal letter to the proponent(s), a declaration of mailing thereof, a copy of our title and summary, and a copy of the proposed measure.

According to information available in our records, the name(s) and address(es) of the proponent(s) is as stated on the declaration of mailing.

Very truly yours,

George Deukmejian  
Attorney General

Robert Burton  
Deputy Attorney General

Enclosure

Date: December 29, 1981  
File No.: SA81RF0032

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

STATE-OPERATED LOTTERY. INITIATIVE STATUTES AND CONSTITUTIONAL AMENDMENT. Amends California Constitution to permit authorization of a state-operated lottery by statute. Enacts statutes providing for a state-operated lottery. Establishes a three member Commission, appointed by the Governor for four year terms, to manage and administer the lottery. Specifies their authorities and duties. Sets forth provisions regarding the operation and conduct of the lottery. Specifies violation penalties. Initially transfers two million dollars from the General Fund to finance the activity. Provides that all net revenues from the sale of lottery tickets are to be paid monthly into the General Fund. Contains other provisions. Fiscal impact on state and local governments: The Legislative Analyst and Director of Finance advise that they estimate that adoption of this proposal would result in the generation of an indeterminable amount of revenues to the state. They state they are not able to estimate the amount of lottery revenue which would result from adoption of the proposal, because the proposal does not specify the price of lottery tickets, or the frequency with which drawings will be held to select lottery winners. They indicate further that adoption of this proposal would result in an appropriation of \$2 million from the General Fund, which could be repaid from lottery revenues at the discretion of the Lottery Commission.

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INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

(Here set forth the title and summary prepared by the Attorney General. This title and summary must also be printed across the top of each page of the petition whereon signatures are to appear.)

TO THE HONORABLE SECRETARY OF STATE OF CALIFORNIA

We, the undersigned, registered, qualified voters of California, residents of \_\_\_\_ County (or City and County), hereby propose amendments to the Constitution of California, the Business and Professions Code, the Government Code, and the Penal Code, relating to lotteries, and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next succeeding general election or at any special statewide election prior to that general election or otherwise as provided by law. The proposed amendments

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12-point



read as follows:

First-That Section 19 of Article IV of the California Constitution is amended to read:

SEC. 19. (a) The Except for a state-operated lottery which may be authorized by statute, the Legislature has no power to authorize lotteries and shall prohibit the sale of lottery tickets in the State.

(b) The Legislature may provide for the regulation of horse races and horse race meetings and wagering on the results.

(c) Notwithstanding subdivision (a), the Legislature by statute may authorize cities and counties to provide for bingo games, but only for charitable purposes.

Second-That Division 10 (commencing with Section 26000) is added to the Business and Professions Code, to read:

DIVISION 10. LOTTERIES

CHAPTER 1. CALIFORNIA LOTTERY LAW

Article 1. General

26000. This chapter shall be known and may be cited as the "California Lottery Law."

26001. This chapter is enacted to implement and establish within the state a lottery to be operated by the state, the entire net proceeds of which are to be used for the support of the state's General Fund. It is further intended to provide a means to curb illegal gambling operations in California.

26002. For the purposes of this chapter:

(a) "Lottery" or "State Lottery" means the lottery or lotteries established and operated pursuant to this chapter.

(b) "Commission" means the State Lottery Commission established within the Office of the State Controller.

(c) "Executive Director" means the Executive Director of the State Lottery Commission, who shall oversee the operation of the lottery.

(d) "Security Director" means the Director of Security and Licensing, who shall oversee security and licensing of the retailers and ticket agents in the operation of the lottery.

(e) "Director of Fiscal Management" means the director of the commission who shall manage all revenue records and state audit records of the commission.

(g) "License" means a license authorizing the

sale of lottery tickets.

(h) "Licensee" means the holder of a valid license issued pursuant to this chapter.

(f) "Controller" means the State Controller, who shall not be a member of the commission.

## Article 2. State Lottery Commission

26005. A State Lottery Commission, within the Office of the State Controller, is established to implement and regulate the State Lottery as provided in this chapter.

26006. The State Lottery Commission shall be composed of three members, one of whom shall be the Executive Director, one the Security Director, and one the Director of Fiscal Management.

26007. Each director shall be appointed by the Governor for a term of four years and shall hold office until his or her successor is appointed and qualified. However, in order to provide for staggered terms of office, the initial term of office for the Executive Director shall expire on January 1, 1986, the initial term of office for the Security Director shall expire on January 1, 1985, and the initial term for the Director of Fiscal

Management shall expire on January 1, 1984.

A vacancy occurring for any reason other than the expiration of a term shall be filled for the unexpired term in the same manner as the original appointment.

26008. Any member of the commission may be removed by the Governor for neglect of duty, misfeasance, malfeasance, or nonfeasance in office.

26009. The commission shall be under the direction of the Executive Director, who shall be responsible for the overall management of the lottery and shall chair meetings of the commission. The Executive Director shall devote his or her entire time and attention to the duties of office and shall not be engaged in any other profession or occupation.

26010. The Security Director shall be responsible for the security of the lottery, including matters relating to security of personnel and of sellers of lottery tickets. Prior to the appointment of the Security Director, the Governor shall investigate the background and good moral character of the appointee.

26011. The Director of Fiscal Management shall be responsible for all revenue, disbursement, personnel, and other records. He shall have had experience in accounting and shall be of good moral character. The

Director of Fiscal Management shall file a bond in the amount of fifty thousand dollars (\$50,000).

26012. The commission may employ personnel, consistent with applicable civil service laws, as are necessary for the operation of the lottery, and may obtain equipment and services, including computer services, as authorized by law.

26013. The commission shall hold at least one meeting a month and may hold additional meetings. The Controller shall be given notice of each meeting, may attend any meeting, and shall attend at least one meeting each month.

26014. The commission may adopt rules and regulations in accordance with the Administrative Procedure Act.

The rules and regulations may include the following:

- (a) The type of lottery or lotteries to be conducted.
- (b) The price or prices of lottery tickets.
- (c) The prizes.
- (d) The manner of selecting winners.
- (e) The manner of payment.
- (f) The frequency of selection of winners.

(g) The types of locations for the sale of tickets.

(h) The method of compensation of sellers of tickets.

(i) The apportionment of the total revenues accruing from the sale of lottery tickets and from all other sources among (1) the payment of prizes to the holders of winning tickets, (2) the payment of costs incurred in the operation and administration of the lottery, including the expenses of the commission and the costs resulting from any contract or contracts entered into for promotional, advertising, or lease of lottery equipment and materials, (3) the repayment of the moneys appropriated to the State Lottery Fund, pursuant to Section 26054, and (4) monthly transfers to the General Fund.

26015. Prior to the promulgation of the initial rules and regulations for the operation of the lottery, the commission shall hold public hearings in at least four different counties.

26016. The commission may conduct hearings upon complaints charging violations of this chapter or of regulations thereunder, and may conduct such other hearings as may be necessary.

26017. The commission shall carry on a continuous study and investigation of the lottery throughout the state for the following purposes:

(a) For the purpose of ascertaining any defects in this chapter or in the rules and regulations issued under this chapter whereby any abuses in the administration and operation of the lottery or any evasion of this chapter or the rules and regulations may arise or be practiced.

(b) For the purpose of formulating recommendations for changes in this chapter and the rules and regulations promulgated hereunder to prevent such abuses and evasions.

(c) To guard against the use of this chapter and the rules and regulations issued hereunder as a cloak for the carrying on of organized gambling and crime.

(d) To insure that the law and rules and regulations shall be in such form and be so administered as to serve the true purposes of this chapter.

26018. The commission shall report immediately to the Governor, the Attorney General, the Speaker of the Assembly, the President pro tempore of the Senate, and the minority leaders of both houses of the Legislature, as from time to time it deems appropriate, any matters which

it deems require an immediate change in the laws of this state in order to prevent abuses and evasions of this chapter or rules and regulations promulgated thereunder or to rectify undesirable conditions in connection with the administration or operation of the State Lottery.

### Article 3. Administration

26020. (a) The Executive Director, as administrative head of the commission, shall direct and supervise all of its administrative and technical activities. It shall be his or her duty also:

(1) To supervise and administer the operation of the lottery in accordance with the rules and regulations of this chapter.

(2) To attend monthly meetings of the commission, and other emergency meetings as deemed required in the running of the lottery.

(3) To direct personnel employed by the commission.

(b) The Executive Director shall have the authority of the head of a department, granted by Article 2 (commencing with Section 11180) of Chapter 2 of Division 3 of Title 2 of the Government Code, to make



investigations and prosecute actions relating to the lottery.

26021. The Security Director shall have the following duties:

(a) To license, in accordance with the provisions of this chapter and the rules and regulations of the board adopted thereunder, as agents to sell lottery tickets, persons who will best serve the public convenience and promote the sale of tickets.

(b) To suspend or revoke any retail agent's license, as provided by this chapter.

(c) To enter into contracts for the operation of the lottery, or any part thereof, and into contracts for the promotion of the lottery on behalf of the state, with any person, firm, or corporation to perform any of the functions provided for in this chapter, or the rules and regulations promulgated thereunder. The commission shall not expend state funds on a contractual basis for those functions unless authorized by law.

(d) To make a study and investigation of (1) the operations and the administration of lottery laws which may be in effect in other states or countries, (2) any federal laws which may affect the operation of the lottery.

(e) To maintain the interest of the citizens of California in the lottery, and to publicize the lottery to create higher ticket sales.

26022. The Director of Fiscal Management shall certify to the State Treasurer a full and complete statement of lottery revenues, prize disbursements, and other expenses for the preceding month and the amounts to be transferred to the General Fund pursuant to Section 26053, and shall make an annual report, which shall include a full and complete statement of lottery revenues, prize disbursements, and other expenses, to the Governor. Copies of all reports shall be sent to the Legislature.

#### Article 4. Sale of Tickets

26025. The Security Director shall issue licenses, not to exceed one year after issuance unless sooner revoked, canceled or suspended, as provided in this chapter. No license issued under this chapter shall be transferable or assignable.

26026. The commission may, by rule or regulation, establish an application fee for a license, not to exceed ten dollars (\$10), which may be nonrefundable.

26027. The following are ineligible for any license under this chapter:

(a) Any person who has been convicted of a felony under the laws of this state, or who has been convicted in any other jurisdiction of an offense which, if committed within this state, would be a felony.

(b) Any person who is or has been a professional gambler or gambling promoter.

(c) Any person who has engaged in bookmaking or other forms of illegal gambling.

(d) Any person who has been found guilty of any fraud or misrepresentation in any connection.

26028. The commission shall adopt rules and regulations for the licensure of sellers of lottery tickets. The rules and regulations shall include the method for determining the number and location of licensees so as to assure the availability of lottery tickets throughout the state. The rules and regulations shall provide for the licensure of a mixture of labor, charitable, fraternal, educational, and veterans organizations, and retail businesses, including taverns.

26029. No person shall be issued a license if that person's sole occupation or employment would be the sale of lottery tickets.

26030. Prior to issuing a license, the Security Director shall consider the financial responsibility and security of the applicant and his business or activity, the accessibility of that person's sales location to the public, and the volume of expected sales.

26031. Every licensee shall furnish a bond in an amount and form as required by the commission.

26032. Every licensee shall prominently display the license, or a copy of the license, at the place of sale of lottery tickets.

26033. Lottery tickets shall be in a form, determined by the commission, to assure security. Each ticket shall include two sets of code numbers to permit the determination of the validity of the ticket and the place of purchase.

#### Article 5. Offenses

26035. The Security Director may revoke the license of any licensee for a violation of any provision of this chapter or any rule or regulation of the commission, and the revocation may take effect without a hearing upon notice to the licensee. If a license is revoked without a hearing, the person whose license is

revoked may request a hearing, and, if requested, the commission shall file a complaint and provide for a hearing, in accordance with the provisions of the Administrative Procedure Act, within 30 days of the date of the request.

The commission may also revoke a license after notice and hearing in accordance with the provisions of the Administrative Procedure Act.

26036. No person shall sell a lottery ticket at a price greater than that fixed by the commission. No person other than a licensee or an agent of the licensee shall sell a lottery ticket.

26037. Any person who, with intent to defraud, falsely makes, alters, forges, utters, passes, or counterfeits a lottery ticket issued by the state is guilty of a felony.

26038. No ticket shall be sold to any person under the age of 18 years, but this section shall not prohibit the purchase of a ticket for the purpose of making a gift by a person 18 years of age or older to any person of any age. Any licensee who knowingly sells or offers to sell a lottery ticket to any person under the age of 18 years is guilty of a crime punishable as provided by Section 26040.

26039. No ticket shall be purchased by, and no prize shall be paid to any of the following persons: any member or officer of the commission or other person employed by the commission or to any immediate family, residing as a member of the same household in the principal place of abode of any such persons.

26040. It shall be a misdemeanor to violate the provisions of Section 26036, 26038, or 26039 or knowingly to submit any false information under this chapter or rules or regulations adopted thereunder. However, if any person engages in such offense after one or more prior convictions under this chapter, or under any law of the United States or of any state relating to gambling or state-operated lotteries, that person shall be guilty of a felony. Notwithstanding any provision of Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, it shall be the duty of all state and local law enforcement officers who are peace officers to enforce the provisions of this chapter and rules and regulations adopted thereunder.

#### Article 6. Prizes

26045. Prizes shall be paid as provided by

rules and regulations of the commission.

26046. If the person entitled to a prize or any winning ticket is under the age of 18 years, and the prize is less than five thousand dollars (\$5,000), the commission may direct payment of the prize by delivery to an adult member of the minor's family or a guardian of the minor of a check or draft payable to the order of the minor. If the prize is equal to or exceeds five thousand dollars (\$5,000), the commission may direct payment pursuant to Article 2 (commencing with Section 3410) of Chapter 2 of Part 8 of Division 4 of the Probate Code. The commission shall be discharged of all further liability upon payment of a prize to a minor pursuant to this section.

26047. Unclaimed prize money for the prize on a winning ticket shall be retained in the State Lottery Fund for the person entitled thereto for one year after the drawing in which the prize was won. If no claim is made for the prize money within one year, any right of a person to claim that prize money shall be forfeited, and the prize money shall be paid to the General Fund in the same manner as lottery revenues are allocated under this chapter.

## Article 7. Financial

26050. There is created in the State Treasury a special fund to be known as the State Lottery Fund. The fund shall consist of all revenues received from the sale of lottery tickets, application fees, and all other moneys credited or transferred thereto from any other fund or source pursuant to law. Interest earnings of the State Lottery Fund shall be credited to the General Fund.

26051. All lottery sales agents shall deposit in the manner prescribed by the commission, to the credit of the State Treasurer in banks and savings and loan associations which have been approved as state depositories under the provisions of Chapter 4 (commencing with Section 16500) and Chapter 4.5 (commencing with Section 16600) of Part 2 of Division 4 of Title 2 of the Government Code, all moneys received by the agents from the sale of lottery tickets, less the amount, if any, retained as compensation for the sale of the tickets. Each deposit shall be accompanied by a report of the agent's receipts and transactions in the sale of lottery tickets in such form and containing such information as the commission may require. The executive director may make arrangements for the banks and savings and loan



associations designated by this section to perform functions, activities, or services in connection with the operation of the lottery, pursuant to the provisions of this chapter and rules and regulations of the commission, and these functions, activities, or services shall constitute lawful functions, activities, and services of the banks and savings and loan associations.

All income arising out of any activity or purpose of the State Lottery Commission shall be paid into the State Treasury without delay not later than 10 days after the receipt of the same, without any deduction whatever except as otherwise provided by the rules and regulations of the commission and shall be credited to the State Lottery Fund.

26052. The moneys in the State Lottery Fund are continuously appropriated for the payment of prizes to the holders of winning lottery tickets, for payment of reasonable expenses of the commission and the state in their operation of the State Lottery, and as further provided in this chapter.

26053. The State Treasurer shall make monthly transfers from the State Lottery Fund to the General Fund of the amount of net revenues derived from the sale of lottery tickets.

26054. Within five days after the effective date of this chapter, the Controller and the Treasurer of the State of California shall transfer the sum of two million dollars (\$2,000,000) from the General Fund to the State Lottery Fund.

26055. The Controller shall conduct a pre-audit of all accounts and transactions of the State Lottery Commission.

26056. The Auditor General or a certified public accountant firm appointed by him shall conduct an annual post-audit of all accounts and transactions of the Lottery Commission, as the Auditor General and the Legislature deem necessary. The Auditor General or his agent conducting an audit under this chapter shall have access and authority to examine any and all records of the commission and to records of licensees which relate to the operation of the lottery.

#### Article 8. Miscellaneous

26060. If any clause, sentence, paragraph, subdivision, section, provision, or other portion of this chapter or the application thereof to any person or circumstances is held to be invalid, such holding shall

not affect, impair or invalidate the remainder of this chapter or the application of the portion held invalid to any other person or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, provision, or other portion thereof directly involved in such holding or to the person and circumstances therein involved.

26061. The Legislature may by statute amend any provision of this chapter and any other provision of the initiative act which enacted this chapter. However, no statute amending those provisions shall be valid if it has the effect of eliminating or prohibiting a state lottery.

Third-That Section 11557 is added to the Government Code, to read:

11557. (a) An annual salary of forty thousand dollars (\$40,000) shall be paid to the Executive Director of the State Lottery Commission.

(b) An annual salary of thirty-eight thousand dollars (\$38,000) shall be paid to the Director of Security and Licensing and to the Director of Fiscal Management of the State Lottery Commission.

Fourth-That Section 320 of the Penal Code is amended to read:

320. Every person who contrives, prepares, sets

up, proposes, or draws any lottery, which is not authorized by Division 10 (commencing with Section 26000) of the Business and Professions Code is guilty of a misdemeanor.

Fifth-That Section 321 of the Penal Code is amended to read:

321. Every person who sells, gives, or in any manner whatever, furnishes or transfers to or for any other person any ticket, chance, share, or interest, or any paper, certificate, or instrument purporting or understood to be or to represent any ticket, chance, share, or interest in, or depending upon the event of any lottery, which is not authorized by Division 10 (commencing with Section 26000) of the Business and Professions Code is guilty of a misdemeanor.

Sixth-That Section 322 of the Penal Code is amended to read:

322. ~~Every~~ Except as authorized by Division 10 (commencing with Section 26000) of the Business and Professions Code, every person who aids or assists, either by printing, writing, advertising, publishing, or otherwise in setting up, managing, or drawing any lottery, or in selling or disposing of any ticket, chance, or share therein, is guilty of a misdemeanor.

Seventh-That Section 323 of the Penal Code is amended to read:

323. Every Except as authorized by Division 10 (commencing with Section 26000) of the Business and Professions Code, every person who opens, sets up, or keeps, by himself or by any other person, any office or other place for the sale of, or for registering the number of any ticket in any lottery, or who, by printing, writing, or otherwise, advertises or publishes the setting up, opening, or using of any such office, is guilty of a misdemeanor.

Eighth-That Section 326 of the Penal Code is amended to read:

326. Every Except as authorized by Division 10 (commencing with Section 26000) of the Business and Professions Code, every person who lets, or permits to be used, any building or vessel, or any portion thereof, knowing that it is to be used for setting up, managing, or drawing any lottery, or for the purpose of selling or disposing of lottery tickets, is guilty of a misdemeanor.

## DECLARATION OF MAILING

The undersigned Declarant, states as follows:

I am over the age of 18 years and not a proponent of the within matter; my place of employment and business address is 555 Capitol Mall, Suite 350, Sacramento, California 95814.

On the date shown below, I mailed a copy or copies of the attached letter to the Honorable March Fong Eu, Secretary of State, by placing a true copy thereof in an envelope addressed to each proponent named below at the address set out immediately below each name, and by sealing and depositing said envelope or envelopes in the United States Mail at Sacramento, California, with postage prepaid. There is delivery service by United States Mail at each of the places so addressed, or there is regular communication by mail between the place of mailing and each of the places so addressed.

Date of Mailing: December 29, 1981

Date of Attached Letter to Secretary of State: December 29, 1981

Subject: Initiative Proposing Amendment to: Statutes & Constitution  
Short Title: State-operated lottery  
Our File No.: SA81RF0032

Name of Proponent(s) and Address(es):

Ms. Peggy E. Hoskins  
2101 Byron Road  
Sacramento, California 95825

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Sacramento, California on December 29, 1981.

  
MARSHA L. BIERER  
Declarant



State of California  
Department of Justice  
**George Deukmejian**  
(PRONOUNCED DUKE-MAY-GIN)  
Attorney General  
December 29, 1981

555 CAPITOL MALL, SUITE 350  
SACRAMENTO 95814  
(916) 445-9553

Ms. Peggy E. Hoskins  
2101 Byron Road  
Sacramento, California 95825

RE: Initiative Proposing Amendment to: Statutes & Constitution  
Subject: State-operated lottery  
Our File No.: SA 81RF0032

Pursuant to your request, we have prepared a title and summary of the chief purposes and points of the above identified proposed initiative. The title and summary are set forth in a letter sent to the Secretary of State, as required by Elections Code sections 3503 and 3513. A copy of this letter and our declaration of mailing is attached.

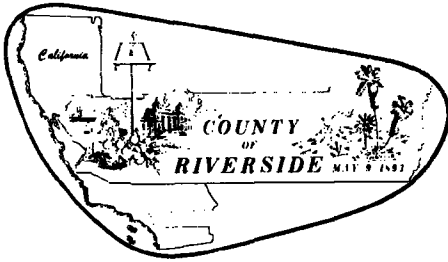
Please send us a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file in this matter.

Very truly yours,

George Deukmejian  
Attorney General

Robert Burton  
Deputy Attorney General

Attachment



OFFICE OF  
COUNTY CLERK  
ELECTION DEPARTMENT  
P. O. BOX 431  
RIVERSIDE, CALIFORNIA 92502

<sup>295</sup>  
*Barbara*  
DONALD D. SULLIVAN  
COUNTY CLERK - RECORDER

ROBERT G. MORGAN  
CHIEF DEPUTY  
REGISTRAR OF VOTERS

June 1, 1982

To: Secretary of State  
Elections Division  
1230 J Street  
Sacramento, CA 95814

This is to report that no signatures were filed in Riverside County for the initiative petition titled STATE-OPERATED LOTTERY.

Very truly yours,

WILLIAM E. CONERLY  
Acting County Clerk

By *Barbara Myers*  
Deputy

